GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4251
ANSWERED ON:15.12.2000
FOREIGN DIRECT INVESTMENT IN SMALL SCALE INDUSTRIES
CHINTAMAN NAVSHA WANAGA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have decided to give sanction for Foreign Direct Investment upto certain percentage in Small Scale Industries under certain sectors;

(b) if so, the details thereof with names of foreign investments, proposal-wise;

(c) the details of sectors of industries benefited from such proposals with special reference to Maharashtra; and

(d) the steps taken by the Government to increase such investment in future particularly in Maharashtra?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. RAMAN SINGH)

(a) As per the present policy Foreign Direct Investment(FDI)upto 24% is allowed in industries reserved for SSI sectorunder the automatic route. In case foreign investment exceeds the limit in this sector, the industrial undertaking has to forego SSI status, undertake 50% export obligation or undertake to procure reserved items from SSI units only.

(b) The details of the foreign direct investment (FDI) approvals in various sectors, which also includes approvals granted to small scale industrial units are incorporated in the monthly SIA Newsletter brought out by Department of Industrial Policy & Promotion, which is widely circulated, including to the Library of the House;

(c): During the period from 1.1.1991 to 31.10.2000, FDIamounting to Rs.41,256 crores have been approved for the State of Maharashtra. This amount includes the FDI in the SSI sector also.

(d) The Government has already put in place a liberalised FDI policy to attract more FDIinto the country. The foreign investment that will accrue to Maharashtra will depend upon factors such as degree of development of industrial and financial infrastructure, the potential size of market, the skilled human resources and natural resources of the State and the various fiscal and other incentives provided by the State Government.